

**Iowa Telecommunications & Technology Commission  
Telephonic Meeting  
Grimes State Office Building, 1st Floor  
Des Moines**

**Final**

**February 18, 2009**

*To ensure the most efficient use of State resources, the February 18, 2009, ITTC meeting was held by conference call pursuant to Iowa Code section 21.8. A conference call also ensured more commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.*

**Commissioners Present**

Betsy Brandsgard, Chairperson  
Robert R. Hardman, Member  
Timothy L. Lapointe, Member  
Michael W. Mahaffey, Member

**Commissioners Absent**

Pamela A. Duffy, Member  
David A. Vaudt, Ex-Officio Member

**Iowa Communications Network Staff Present**

John Gillispie, Executive Director  
Joseph Cassis, Deputy Director  
Dave Lingren, Service Delivery Administrator  
Dave Marley, Operations Administrator  
Kevin Heinzeroth, Finance Director  
Vicki Wallis, Engineering Administrator  
Tami Fujinaka, Government Relations Manager  
Gail McMahon- Public Relations Manager  
Lori Larsen, Administrative Assistant (Recorder)

**Guests**

Adam Humes – Attorney General’s Office  
Kyle Holmgren – Qwest (returned for reconvened open meeting at 10:51 AM)  
Lynee Casper – AEA 11 (returned for reconvened open meeting at 10:51 AM)

**Call to Order**

Commissioner Brandsgard called the meeting to order at 10:32 AM.

NOTE: The commission did not have a quorum at the beginning of the meeting. Agenda items were reordered. A complete quorum was present at 10:35AM.

**Approval of 1/15/09 Meeting Minutes**

Approval of the January 15, 2009, meeting minutes was informally tabled until the March 26, 2009, meeting.

**Old Business**

**OSS RFP Preparation and Status - Joseph Cassis/Vicki Wallis**

The writing team has finished, and the scoring team is about 85% complete. The scoring methodology does not have to be completed for the RFP to be released, and it looks as though the

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*Minutes as Approved at the March 26, 2009 ITTC Meeting*

rough estimates that were originally outlined for points assigned to the various sections are proving to be valid as the team dives into scoring.

Additionally, there have been a minor number of revisions to the RFP as the scoring team goes through the sections and asks for clarification from the writing team. This process should assist in producing an RFP that will have few vendor questions. There is a final review meeting (February 19, 2009) for both the writing and scoring teams to make any final changes to the document before it goes through the process to be released. The ICN looks to streamline the management approval process, the Attorney General review, and the external review if possible. Staff expectation is to have the RFP released in the second week of March.

*NOTE: Due to time constraints for Commission members, the Commission reordered the agenda to discuss the new business items before the old business items.*

### **New Business:**

#### **Toll-Free Voice Rates - Dave Lingren**

Commissioner Hardman moved that the ITTC go into closed session for the purpose of discussing non-video rates. The ICN and ITTC consider non-video rates to be trade secrets. Under Iowa Code 22.7(3), trade secrets are confidential records. Iowa Code 21.5(1) a permits a government body to go into closed session to review or discuss confidential records. Commissioner Lapointe seconded the motion. A roll call vote was taken and passed, as follows:

Commissioner Hardman – Yes  
Commissioner Lapointe – Yes  
Commissioner Mahaffey – Yes  
Commissioner Brandsgard – Yes

The Chair asked for a motion to adjourn the open meeting to go into closed session. Commissioner Hardman moved adjournment of the open session. Commissioner Lapointe seconded the motion. A roll call vote was taken and passed, as follows:

Commissioner Hardman – Yes  
Commissioner Lapointe – Yes  
Commissioner Mahaffey – Yes  
Commissioner Brandsgard – Yes

The open meeting adjourned at 10:38 AM.

Following the conclusion of the closed session, guests were invited to rejoin the meeting. The Chair reconvened the public meeting at 10:52 AM and opened the floor to a motion.

*NOTE: Two guests re-entered the open meeting.*

Commissioner Hardman moved for acceptance of the proposed Toll-free Voice Rates, identified during the closed session. Commissioner Mahaffey seconded the motion. A roll call vote was taken and passed, as follows:

Commissioner Hardman – Yes  
Commissioner Lapointe – Yes

Commissioner Mahaffey – Yes  
Commissioner Brandsgard – Yes

### **Operations Update - David Marley**

The ICN had recent ATM (asynchronous transfer mode) switch problems. During the January 27 and 28, 2009 timeframe, the ICN had four occurrences of ATM switch problems; two events in the Lucas building on the Capitol Complex, one at the JFHQ facility in Johnston, and one in the Cedar Rapids area. These switch problems caused network disruption for a number of customers statewide. Circuit packs showing errors were replaced and the troubled modules have been sent to the manufacturer, Alcatel-Lucent for evaluation. This vendor acknowledged a known software operating code problem on this equipment and that while they have identified multiple triggering mechanisms, they do not have a fix at this time. The ICN continues to work with the vendor to determine what can be done to better prevent this type of outage. Nevertheless, this issue has occurred very infrequently, and the equipment has been very dependable; however it is showing some age (10+ years). When the ICN has an occurrence, the ICN replaces and evaluates the hardware to see if there is anything that can prevent or diminish the impact.

The ICN has had a couple incidents lately with fiber-optic cable damages, and currently had a third one in the works. The ICN works with many different entities around the state where fiber sharing arrangements are in place. If multiple governments (i.e. city and county) want to share fiber, the ICN works with them to share. An example would be with the City of Des Moines, the ICN had “turned up some traffic” [produce additional network capacity] using City of Des Moines cable. There have been two incidents that the cable has been frozen in place, in hand holes and conduit. The ICN had to put “run-around cables”/“throw cable” to bypass certain locations. The ICN had a third incident where we tried to “turn-up additional traffic” [produce additional network capacity] for a customer, and the fibers in there were being restricted and were high loss. This is of concern since this is the same cable that is carrying live traffic. In other words, cable is being constricted to the point, where certain fibers are high loss, meaning the fiber that is carrying our traffic could be affected at any time. The ICN is hoping this moderation of weather will help us. The ICN is also looking to see if this is a long term impact or is it located only in certain sections. The ICN is working with the City of Des Moines to help rectify this situation.

Commissioner Hardman asked if the depth of the cable is different.

Dave Marley said, that is one of our concerns, the ICN is told that the depth of this cable in some places is only two feet. When asked why, the answer was that it is due to existing conduit. It is a concern if the conduit is not buried below the frost line. At this time the ICN is trying to determine the potential sections that would need to be reburied or replaced below the frost line. Most of our trunk cables are buried at 42 inches. Also, most of our cable is direct buried and was plowed into the ground.

Director Gillispie added that over time the surface/depth of the earth changes (i.e. dig ditches, scrape dirt out, etc...). In this case, they used existed conduit which was only two feet deep. What concerns us is if this is a consistent problem throughout the whole City of Des Moines or are there just sections that did not get deep enough.

Dave Marley said to his knowledge it has been very rare that that the ICN has this problem. The cable is encased in conduit, so the pipe fills with water and freezes, which is going to be more likely to occur then where you have directly buried cable. If you just have the cable directly buried in the

earth, it is less likely to have this problem versus where you have a pipe that is going to house the water around the cable and form an ice cube.

Commissioner Hardman asked, could the 2008 flooding cause this problem, where the depth had changed.

Dave Marley said it could possibly occur; typically the ICN has outside plant individuals and technicians looking for where erosion areas occurred. The ICN asked to look at this kind of areas right after the flooding in June and July 2008. Due to the mileage of cable that the ICN has, at that time no one knows if every flood or eroded area was found, the ICN may have diminished cover or exposed cable.

Director Gillispie added since most of the cable is direct buried it isn't the largest concern.

Dave Marley added, the ICN did do a study on this topic. There has been an increase on a number of these incidents. In fact, for three years the ICN had an average of 10-11 incidents. During 2008 the ICN had 20 incidents. The primary factors in that increase is either related to natural disasters (i.e. flooding) or rodent occurrences.

#### **Legislative Update - John Gillispie**

The legislature is spending most of their time this week working with issues associated with labor. There is nothing concerning the ICN being considered. The ICN's Part III bill is out, and there is a legislative sub-committee meeting this afternoon (February 18, 2009). This will be the third year the ICN have had the discussion. The largest series of discussion related to Telecom deal with the Economic Stimulus Package.

*NOTE: Agenda items were reordered. Director Gillispie discussed new business (Federal Economic Stimulus Package).*

#### **Healthcare Network Update - Dave Lingren**

There were 92 hospitals that originally signed up to participant in the IRHCTP (Iowa Rural Healthcare Telecommunications Project). As of today (February 18, 2009), the ICN has 47 hospitals that have signed a letter of participation; meaning the ICN is actually going to build for, based on the grant money received. There is another 25 hospitals that have given verbal consent. The ICN anticipates 80-90 hospitals that will participate. Those that do not participate could be for various reasons: a) based upon the distance involved, b) expense factors. The ICN has received some of the core electronic equipment that is involved with the design. There has been testing that has taken place out at JHFQ (Joint Forces Headquarters). The ICN anticipates that very soon the ground should be available, and the contractors will be eager to begin progress. The ICN is on target with the FCC, and the project is moving on well.

*NOTE: Commissioner Lapointe left the telephonic meeting at 11:07 AM*

#### **Award from Cedar Rapids Schools - Commissioner Hardman**

Commissioner Hardman was very pleased to receive the award on behalf of the ICN. The award ceremony was Wednesday, February 4, 2008, held in Cedar Rapids, Iowa, at Viola Gibson

Elementary School. There were about 300-400 people present. They have annual awards given in two categories: Community Partnership Recognition and Special Service Award.

The award to the ICN was the result of the responsiveness and assistance to the district during the June 2008 floods. The Network was really instrumental in providing Grant Wood AEA with Internet service. Those services were absolutely essential. The nomination for the award was made by the technology department of the Cedar Rapids School system.

The award was well deserved, and Commissioner Hardman thinks that the ICN really needs to make a special effort to congratulate the staff, so they know how much the school district appreciates the service during the difficult time.

### **New Business**

#### **Federal Economic Stimulus Package - John Gillispie**

The president signed the economic stimulus bill yesterday (February 17, 2009). Included in that bill are inducements in two areas to drive deployment of broadband across the country. There are two sections of the bill. The USDA (United States Department of Agriculture) rural utility service has \$2.5 billion dollar appropriation for loans, grants, and loan guarantees for broadband infrastructure projects that service primarily rural areas. They have a definition in the bill; about 75% of the funds have to go to support economically depressed rural areas. One of the most interesting parts of the bill, is the way it is written, it will have a preference for prior applicants to the RUS (Rural Utilities Service) program to seek funds. In the same section of the bill, it indicates they would like to see open-access broadband infrastructure built to increase competition. Those are mutually exclusive goals, because the independent telephone companies generally don't have open-access networks.

The challenge in Iowa is that the independent phone companies have been substantial users of the RUS fund in the past. In the most recent survey by the Iowa Utilities Board there is 95% coverage according to the old FCC measurement criteria. That criteria being if one person is served in the zip code, then the whole zip code was served. The new bill does not have definitions of what broadband is or isn't. Since significant coverage is available, it may create some challenges for people to pursue those loans and loan guarantees.

The more interesting part of the bill from the perspective of distance learning is the broadband deployment/opportunities grant program. They have allotted \$4.7 billion available until September 30, 2010, for competitive grants under secretary of the Department of Commerce, as referred to as the NTIA (National Telecommunication and Information Administration). A couple comments of the NTIA and Department of Commerce, at this time there is neither a secretary or under secretary for those two functions within the Department of Commerce. That could slow processes down in terms of getting the necessary rules and application processes written. When it comes to distance learning, included in the bill, there are two separate programs that could be used. The total is about \$450 million dollars between the two programs. It can't be used for recurring costs, but it can be used to promote sustainable broadband adoption. There is a section of the bill that deals directly with distance learning.

The ICN will be writing a briefing paper as rules are developed to inform schools and libraries on how to pursue these dollars, and the ICN will be encouraging schools to pursue the money. The bulk of the money in the NCIA is \$4.35 billion for grants.

One of the items that will happen is that they will transfer \$350 million of the \$4.35 billion to the FCC, who will develop a broadband strategy and also a mapping of the U.S.A to show where broadband is and isn't available. The challenge for the FCC is the definitions: "What is broadband" and "what is served and/or not served". Many states that have tried to undertake mapping have struggled. Many companies consider that information highly proprietary.

The broadband opportunities program also calls for open-access networks, and will give preference according to that program to projects that promote competition. That could really restrain entries and grant application in that bill. It is hard to know those sections; everyone will need to see how the rules look like.

The last part of the bill that may be changing for Iowa is concerning high-cost service area money; in 2008 Iowa claimed \$133 million dollars. High-cost service area money is often used for infrastructure development. The challenge is going to be that the bill says that there may be no unjust enrichment; which means that if you use money to deploy broadband in your area, you will probably be precluded from pursuing grants under the broadband opportunities program. Again, it will be subject to the rules that get written surrounding the bill. Historically, if you have pursued funds in another grant program, during another fiscal period, you are not allowed to obtain funds during the current fiscal period. This is substantially more money, \$4.35 billion, that has been historically available under the High-Cost Service funding model, which runs about one billion dollars a year. There is both good and bad in the bill, and until the rules get published and the grant program gets fully established everyone is still uncertain.

The challenge is going to be getting all this money out by September 30, 2010, when no one will probably see rules for 60-90 days, a grant program to follow that, and then a scoring program, etc....

One of the real hallmarks of the stimulus package is the high degree of transparency. The Obama administration is committed to make this the most transparent set of dollars that have ever been distributed. Director Gillispie is on the National CIO distribution list, and the amount of discussion on what transparency means is substantial. The president says that every citizen in the US should know how every dollar of the stimulus package is spent.

#### **Other Business**

Commissioner Brandsgard informed everyone that the next ITTC meeting is scheduled for March 26, 2009.

Director Gillispie informed the commissioners that the ICN's ERC (Employee Recognition Committee) is planning an all employee event on May 21, 2009; the same day as the May ITTC meeting. Director Gillispie would encourage the commission to come to the ICN for that meeting. The ERC is planning to have a potluck.

#### **Adjournment**

Commissioners Mahaffey and Hardman made a motion to adjourn the meeting. There being no further business, the meeting adjourned at 11:19 AM.

ATTESTED TO:



Betsy Brandsgard, Chair, Iowa Telecommunications and Technology Commission